

**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554**

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In the Matter of:)	
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Business Broadband Marketplace)	WC Docket No. 10-188
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The National Association of MultiCultural Digital Entrepreneurs respectfully submit these comments to the Federal Communications Commission (“FCC” or “Commission”) in reply to its Public Notice requesting input from the retail and wholesale business broadband marketplace. NAMDS applauds the efforts by the Commission to investigate and gather data from the market that it is preparing to regulate. The data and information being submitted in response to this Public Notice will enable the FCC to create rules, regulations and policies that would empower the sustainability of competitive retail markets, encourage incentives for investments in facilities, and support deployment in broadband infrastructure to communities where it would otherwise not be economically feasible to deploy.

NAMDE is a brand new industry group that was created and launched only this month in an attempt to coordinate the interest and voice of the growing number of MultiCultural business owners that have been and continue to strive to participate and prosper in the broadband marketplace. The member companies are united in their interest in ensuring that MultiCultural business owners, most of which meet the SBA definition of small disadvantaged business, are able to have access to capital, procurement opportunities, and to have their interests represented before decision making bodies, such as the FCC. The goals of NAMDE are to support digital entrepreneurs and promote their businesses in a way that would allow them to contribute to the innovation and promote job creation within one of the fastest growing sectors of the US and global economy. In addition, in the true spirit of American inclusion, NAMDE seeks to assist these entrepreneurs in increasing their revenues, values and net worth, while obtaining a share of the public and private sector expenditures within the broadband market.

The organization advocates on behalf of its members, engages in networking, collaborations and alliances for the purpose of expanding the inclusion of people of color in the broadband market. NAMDE aims to pursue an aggressive, dynamic and results-oriented approach to eliminating barriers to full economic and social participation of members in the broadband industry.

Another goal of the organization is to enhance the social, economic, and political access to the broadband industry for communities of color through legislation, policy and educational programming. NAMDE is prepared to promote broadband awareness, education, literacy and adoption in minority communities. It will encourage the provision of infrastructure as well as the creation of positive content and applications within communities of color as well as the broader community.

This filing represents one of the first opportunities for the organization to present its position on an issue that is very important to its members.

The Public Notice is the right step towards the Commission embellishing the record of National Broadband Plan¹ which, as the Public Notice mentions, currently “lacks a cohesive, comprehensive analytic framework for promoting competition in business broadband markets.” NAMDE also echoes the concerns of other parties who have a stake in this industry in urging the FCC to not impose rules that will have the unintended consequence of disabling NAMDE and its member companies from participating or competing in the broadband marketplace and industry. Further, NAMDE associates itself with the points made in the National Organizations’ filing in the reclassification docket² and respectfully requests to expand further on its positions regarding the questions asked on in this docket and ancillary dockets in the future .

NAMDE responds to the Public Notice for the limited purpose of responding to two issues: First, to offer perspectives on the value of broadband enabled services such as Cloud Computing to new entrants, digital entrepreneurs and small businesses such as many in NAMDE’s membership; and Second, to respond, briefly, to the question asking how nontraditional marketplace participants such as cable and wireless platforms can make an impact on the industry.

First, as is widely known and have been repeatedly stated in all of the ancillary filings related to the National Broadband Plan and Network Neutrality, the Broadband marketplace is very crucial for the success of minority digital entrepreneurs. With fewer barriers to entry, no longer does a fledgling company have to raise capital to build out an entire data center and network to operate and support its service offerings and applications. With little investment, innovators, application creators, software developers and content producers can launch a business in the Broadband market.

Access to Broadband is crucial for these new entrants because it enables them to get their products and services to their customers and to grow their customer bases. Broadband also enables

¹ Omnibus Broadband Initiative, Connecting America: The National Broadband Plan, GN Docket No. 09-51, at 47-48 (2010) (National Broadband Plan).

² Comments of The National Organizations, in *Matter of Preserving the Open Internet Broadband Industry Practices*, GN Docket 09-191, WC Docket 07-52 (Oct. 12, 2010).

customers to reach businesses quickly and seamlessly. Through the emergence of cloud computing, a digital entrepreneurial tool has been critical to the growth of innovative new companies.

Cloud computing involves companies sharing, resources, software, applications, facilities and information needed to compute and run their businesses through a network, obviating the need for each of those businesses to separately create their own respective networks. It is an On-demand self-service Internet infrastructure where companies can pay-as-they-go and use only what they need. Access to the cloud is managed by a browser, application or API. So rather than having to incur the fixed infrastructure expenditure of building a data center, a growing company needs only to purchase access to the cloud as needed.

Further, because the various elements of the shared Cloud does not sit at the entrepreneurs' facility, they can spend more of their time innovating, developing new applications, services and products and less time managing a network. Cloud computing has been ground breaking in terms of making it possible for new entrants to create service offerings for consumers.

Over the next decade, most of the innovation will come from small businesses. In short, as is often stated, today's killer app creator was yesterday's start ups. For a full inquiry into the types of businesses in which NAMDE members specifically engage, the Commission should consider those presented in The National Organizations filing in the Reclassifications docket.³ NAMDE was a signatory to that filing and is in support of and agreement with that filing.

The Public Notice also asked about the impact of nontraditional marketplace participants such as cable and wireless platforms on the industry. There is a critical role they can play and already have been playing. The Commission should be aware and mindful of the fact that there are some small businesses, including many that are minority owned, that have been able to launch their companies and succeed because they were able to partner with larger companies. They have met and worked out arrangements for access to their networks at deep discounted prices and forge incubation relationships.

Therefore, going forward, the FCC must be mindful of enacting rules and procedures that would invalidate those arrangements and make it difficult for future entrepreneurs to broker similar customized agreements.

That being said, NAMDE is of the position that the FCC could play an important role in providing a policy framework which mandates monitoring and vendor and partnering transparency, especially for those that have asked the agency to forgo plans to restrict their ability to enter special access services arrangements. It would be ideal if in the interest of transparency, the FCC empowers some of its regulated companies to make available the parties to these arrangements for assessment of true economic impact and authentic public disclosure. It would go a long way to justify and substantiate the FCC's reasoning for adopting a rule in this area. It is not enough for a large company to ask for a benefit, even if that benefit is a plea for forbearance on a course of action, and then not follow through with promises on which that request was based.

There have been several instances in recent history where the FCC has permitted a company a benefit and not required them to follow through on promises made as a stipulation of receiving that

³ See Comments of The National Organizations, at 7-10.

benefit. For example, the Sirius/XM satellite condition requiring 5% of the combined entities capacity to be spun off to minority programmers have yet to materialize yet there have been numerous extensions granted in succession. Two years after the merger, the combined entity has yet to meet that obligation.

We recognize, as the Commission noted, that it is also currently engaged in a parallel process to review the related topic of special access policies. NAMDE encourages the Commission to take into account the realities and challenges of the marketplace especially for disadvantaged businesses, many of which make up a core of NAMDE member companies.

NAMDE is hopeful that the information shared in this filing along with others will enable the FCC in its comprehensive review, and attempt to understand the market to be impacted by this and other ancillary proceedings.

Respectfully submitted,

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